

local and regional planning committees pursuant to FCC regulations to review and approve frequency sharing arrangements. Supports ongoing review to facilitate identification and elimination of any interference. (pp. 8-9).

- Urges Commission to require PCS providers to incorporate automatic unit identification (using an industry standard) into mobile and fixed transmitters to allow PCS provider and/or microwave users to identify immediately the PCS subscriber causing the problem. (pp. 10-11).

PUERTO RICO TELEPHONE COMPANY
Comments on 2 GHz Licensed PCS

Interest: Local exchange carrier and cellular carrier

Cellular carrier participation:

- Cellular licensees have knowledge and experience that will aid in the development of PCS. (p. 2)
- Cellular/PCS economies of scope may lower both cellular and PCS unit costs. (p. 2)
- Prohibiting cellular licensees from providing PCS would unfairly penalize cellular operators that have been successful in providing new communications services. (p. 2)
- The Commission can regulate to avoid potential anticompetitive abuses by cellular companies. (p. 3)

Local exchange carrier participation:

- LECs have the incentive and ability to develop efficient methods for necessary interconnections between PCS and the public switched network. (p. 1),
- LEC participation in PCS will also help realize economies of scope. (p. 1)
- LEC provision of PCS could be especially effective in helping extend telecommunications services to rural and isolated areas. (p. 2)
- The Commission can protect against anticompetitive conduct by LECs. (p. 2)

PULSON COMMUNICATIONS CORPORATION
Comments on 2 GHz Licensed PCS

Interest: Unsuccessful pioneer's preference applicant

Amount of spectrum per licensed system:

- Regardless of the number of PCS providers licensed, the Commission should reserve one spectrum block in each market for an innovative technology.
- The spectrum block should be reserved for an initial period of 5 years, during which it may be assigned if an applicant has developed an innovative technology to the point of being capable of providing PCS in a timely fashion. Such an applicant may apply for the reserved spectrum block in only one geographic area.
- If a reserve spectrum block is still available at the end of the initial 5 year period, the spectrum may be assigned if an applicant demonstrates either the development of an innovative technology or the showing of actual need for additional PCS capacity in that geographic area (3-6).

Technical standards:

- The PCS rules should provide for the use of ultra-wide band technologies, preferably using "center frequencies" (1-3). [Appendices contain demonstrations that this technology can operate without interference to conventional co-channel users, from conventional co-channel users, or between multiple users of this technology.]

QUALCOMM INC.
Comments on 2 GHz Licensed PCS

Interest:

- Primarily, an equipment manufacturer of advanced communication devices.

Band plan:

- Believes that a 90 MHz allocation is adequate to initiate PCS service. (p. 2)
- Argues for only two service providers with the remaining spectrum held in reserve. Should additional competition be desired, the reserve spectrum could be used to create a third PCS provider. (p. 3)

Service areas:

- Believes that the 734 cellular service areas delayed the licensing process unduly and therefore supports the use of the 47 Major Trading Areas. (p. 3)
- Opposes the use of LATAs and nationwide licenses. (p. 3,4)

Licensing policies:

- Argues that the competitive bidding proposal will delay the introduction of the service. (p. 5)
- Believes that the overriding consideration is speed of licensing and lotteries are faster than comparative hearings. (p. 5)
- Supports the filing of complete financial and technical showings prior to the lottery in order to limit the number of filings. Would also require each applicant to certify that its submitted technical proposal is its own and is not being used by any other applicant. (p. 5)
- States that the Commission should set aside one license per PCS market to be awarded to companies that have invested significant time and resources to the development of PCS. If more than one organization qualifies for this license in a market, the Commission could hold expedited hearings to select the licensee or allow negotiated settlements among the competitors. (p. 6)

Technical Standards:

- Supports a flexible technical framework. A framework similar to the cellular flexible service rules would allow the PCS industry to move forward on standards. (p. 6)
- Supports the decision not to empanel an advisory committee. (p. 6).
- Notes that its CDMA handset operates at powers an order of magnitude lower than the FCC's proposed maximum and assumes that the Commission would not require PCS handsets to operate at consistently high power levels. (p. 6,7)

Other:

- Expresses concern that unlicensed PCS devices may fragment the market. Would restrict the 20 MHz allocation to experimental purposes. (p. 4)
- Supports the allocation of the 38 GHz microwave band for PCS support spectrum. (p. 4)

ROCHESTER TELEPHONE CORPORATION
Comments on 2 GHz Licensed PCS

Interest: Telephone company with exchange carrier facilities

Amount of spectrum per licensed system:

- Suggests that the Commission award five licenses per geographic area and allocate 20 MHz per licensee. (p. 13).

Service areas:

- Believes that the Commission should define the geographic scope of PCS licenses as coterminous with the cellular MSAs and RSAs, stating that these market divisions best fit the essentially local nature of PCS and facilitate competition among service providers (pp. 16-17).
- Urges Commission to reject award of nationwide PCS licenses as anticompetitive. (p. 18).

Cellular carrier participation:

- Asserts that the Commission should not disqualify current cellular licensees and their affiliates from holding PCS licenses in areas in which they provide cellular service because such providers could be among the most efficient PCS providers and because no competitive interest is threatened. (pp. 7-10).
- Appropriate nonstructural safeguards and interconnection standards could be imposed to address any residual anticompetitive concerns. (p. 11-12). Commission should apply any safeguards it adopts to all market participants. (p. 11 n.18).

Local exchange carrier participation:

- Believes that local exchange carriers should not be excluded from holding PCS licenses for same reasons cellular providers should not be excluded (see above). (pp. 8-11).
- Asserts that Commission should rescind cellular separate subsidiary requirement currently applicable to cellular operations of the Bell companies. (p. 8 n.15).
- Commission might address anticompetitive concerns via imposition of same nonstructural safeguards and interconnection standards discussed above. (p. 11 n.18).

Licensing policies:

- Supports auctions, if authorized by Congress, as a basis for awarding PCS licenses. (p. 23). Otherwise, supports comparative hearings in conjunction with strict rules governing post-licensing conduct (p. 24).
- Rejects "postcard" lotteries. If lotteries are used, suggests that Commission require initial certification that applicant is financially and technically qualified and promulgate strict rules governing the showing necessary to support certification. (p. 26).
- Suggests post-award rules that prohibit alienation of a license for specified time, such as two years; require construction of system(s) that covers specified percentage of the population or territory of a particular area within a specified time period; and provide for license revocation/limitation of an entity's service area for failure to comply with these requirements. (p. 27).
- Supports renewal procedures similar to those the Commission has proposed for cellular licenses; recommends conclusive renewal expectancy for qualifying licensees. (p. 28).

Regulatory status:

- Urges Commission to recognize common carriage nature of licensed PCS operations, and cautions against attempts to preempt state regulation. (p. 19).
- Supports Commission's conclusion that PCS providers should be given the right to interconnect to the public switched network but asserts that proposal does not go far enough. Recommends adoption of reciprocal interconnection obligations based upon criteria of technical and economic feasibility. (p. 28-30).

Technical standards:

- Urges Commission to ensure that PCS networks themselves are interoperable, establishing a policy favoring development of common air interfaces. Technical specifications of CAIs should be developed by the appropriate standards bodies. (p. 29).
- States that Commission should not prescribe technical interconnection standards nor determine appropriate compensation, but rather allow affected parties to negotiate these details. (p. 31).

**ROCK HILL TELEPHONE COMPANY
FORT MILL TELEPHONE COMPANY
LANCASTER TELEPHONE COMPANY**
Comments on 2 GHz Licensed PCS

Interest: Rural local exchange companies

Band plan:

- Five licensed providers with 20 MHz each. (p. 4)
- Recognizes the need for an unlicensed allocation. (p. 4)

Service areas:

- Favors use of MSA/RSA licensing or smaller territories because: (1) PCS is microcellular versus cellular, which is wide area; (2) MSA/RSA licensing implicitly recognizes the differences between metropolitan and urban areas; (3) smaller license areas increase entry opportunities and competition; and (4) MSAs/RSAs would result in faster deployment. (pp. 4-5)

Cellular carrier participation:

- A cellular exclusion from participation in PCS and severe cellular ownership restrictions are unwarranted, since there are substantial differences between PCS and cellular and such actions would mitigate the benefits of LEC participation. (p. 11)

Local exchange carrier participation:

- LECs should be eligible to participate fully in PCS because LECs: (1) are the most highly qualified and most logical PCS providers; (2) need PCS technology to complement the local exchange network and continue to meet their universal service obligations; (3) will have incentives to enhance the capabilities and capacity of the PSTN to accommodate PCS; (4) can realize greater network efficiencies benefitting fixed ratepayers; and (5) will rapidly deploy service. (pp. 6-9)

Licensing policies:

- One of the 20 MHz licensed PCS blocks should be set-aside for LECs serving rural areas in order to promote development of rural areas. (pp. 11-12)

Technical standards:

- FCC should mandate a CAI for PCS. (p. 3)

ROLM
Comments on 2 GHz Licensed PCS

Interest: Manufacturer of private business exchanges.

Band plan:

- No more than three PCS operators should be licensed for each service area in order to provide each operator adequate spectrum, while ensuring competition. More than three licensees per service area will dilute the PCS market. (pp. 13-16).

Cellular carrier participation:

- Opposes cellular carrier participation because of the anticompetitive potential. (pp. 26-27).

Local exchange carrier participation:

- LECs should be allowed to participate in the provision of PCS services, so long as appropriate structural and nonstructural safeguards are adopted to minimize anti-competitive practices. (p. 24).

Licensing policies:

- Supports the FCC proposal for a qualified lottery with stringent filing requirements, as well as the proposed application fee structure.
- To reduce speculation, selected lottery applicants should receive a construction permit initially, and only upon attaining construction milestones should a license be awarded. (p. 28).

Other:

- The FCC should unbundle the decision process for licensed and unlicensed PCS in order to avoid unnecessary delays. (p. 7).

ROSEVILLE TELEPHONE COMPANY
Comments on 2 GHz Licensed PCS

Interest:

- Local exchange carrier serving Roseville, California.

Band plan:

- Urges the Commission to authorize 5 PCS providers per service area. (p. 9)

Service areas:

- Believes that smaller service areas are most appropriate for low power microcell systems designed to serve pedestrian users. (p. 11)
- Urges the Commission to use the cellular service area concept of 734 MSAs and RSAs for PCS. (p. 12)

Cellular carrier participation:

- States that there is no reason to exclude incumbent cellular carriers from providing PCS in their cellular service areas since the services target different categories of users. (p. 10)
- Argues that maximizing the number of service areas and PCS providers therein will guarantee substantial competition. (p. 11)

Local exchange carrier participation:

- Argues that LECs are well qualified to provide PCS in a timely fashion. (p. 3)
- Proposes that the Commission reserve one of five PCS licenses in each service area for use by LECs. (p. 6,7)
- States that there is no reason to allocate less spectrum to LECs than to non-LEC PCS providers and LECs should not be restricted to acquiring spectrum in the "aftermarket". (p.8)

Licensing policies:

- Supports comparative hearings as the best mechanism for selecting among competing applicants but would impose filing requirements to limit the number of applicants and thus speed up the hearing process. (p. 12)
- Argues that substantial filing fees would also reduce the number of applicants. Opines that the \$6760 fee

currently authorized for filing comparative common carrier applications is appropriate. (p. 13)

- Prefers lotteries to competitive bidding but notes that filing requirements are needed to reduce the role of speculators. Winning applicants should be provided three days to submit detailed technical and business proposals and proof of financial resources. (p. 13)

Regulatory status:

- States that, because PCS services will likely involve the resale of interconnected telephone service, they could not be classified as private land mobile service. (p. 15)
- Argues instead that PCS should be subject to the same regulatory structure as cellular carriers, including forbearance from filing federal tariffs. (p. 15)

RURAL CELLULAR CORPORATION
Comments on 2 GHz Licensed PCS

Interest: Corporation formed by Minnesota telephone companies providing cellular service to 5 RSAs in central and northern Minnesota.

Band plan:

- Proposes 5 PCS carriers in each RSA/MSA. (p. 1).

Service areas:

- Proposes that PCS license areas be identical to MSA/RSA boundaries used for cellular licensees to maximize competition and minimize regulatory burden on the Commission. (p. 2).

Cellular carrier participation:

- Proposes that cellular operators in rural areas be allowed to provide PCS service in markets where they currently serve and have shown their ability to serve sparsely populated areas cost effectively. (p. 3).

Local exchange carrier participation:

- Proposes that independent local telephone companies or companies controlled by them be provided a set-aside of at least one PCS license per market to promote provision of PCS in rural communities. (p. 3).

Licensing policies:

- Advocates lotteries such as those used for cellular to expedite licensing and reduce costs. Supports restricting lotteries to only qualified applicants with necessary financial and operating experience. (p. 2).
- Opposes auctions as causing delay and unduly increasing initial implementation costs, which will ultimately raise price of service to the public. (p. 2).

Regulatory status:

- Proposes uniform regulation of all wireless providers. (p. 1).
- States that 2 GHz PCS should be classified as common carrier service.

RURAL INDEPENDENT COALITION
Comments on 2 GHz Licensed PCS

Interest: Coalition of independent telephone companies.

Band plan:

- FCC should reserve at least one frequency block for LECs to ensure that the efficiencies of PCS can benefit rural local exchange customers. (pp. 4-8).

Service areas:

- Opposes the creation of service areas larger than the existing RSAs because large area PCS licensees might not serve rural America, and the reduced entry opportunities will lead to less service diversity. (pp. 13-18).

Cellular carrier participation:

- Cellular carriers should be eligible to provide PCS; if the FCC bans cellular carriers from providing PCS, rural cellular carriers should be exempted from such a ban because the goal in rural markets should be introduction of service, rather than competitive delivery. (pp. 8-13).

Local exchange carrier participation:

- In rural areas particularly, LECs should not be precluded from providing PCS service either inside or outside of their telephone service areas. (pp. 8-10).

Licensing policies:

- Opposes the use of auctions as a licensing mechanism because it favors the rich. (pp. 13-14).

Regulatory status:

- FCC should adopt a flexible regulatory approach for PCS similar to that used for MMDS. (pp. 18-19).

Other:

- FCC must consider the unique requirements of rural America in authorizing PCS. (pp. 2-4).

SMALL BUSINESS PCS ASSOCIATION
Comments on 2 GHz Licensed PCS

Interest: Possible PCS providers; an association of small business holders of PCS experimental licenses.

Service areas:

- Supports the use of small service areas assigned in accordance with a modification of the Basic Trading Area ("BTA") concept. (p. 3).
- Recommends a "Super County" approach to yield 450 licensed areas. (pp. 4-5).

Licensing policies:

- The FCC should set aside one license in each licensing area for companies that meet the criteria of a "small business." (pp. 8-9).
 - To be eligible for such a license, applicants would have to demonstrate that they have: (1) less than a certain number of employees; (2) experience operating a radio system under an FCC license that has at least 100 "subscribers"; and (3) existing financial capability. (pp. 8-9).
- Supports the imposition of two post-licensing requirements whether the license is awarded through a random selection process or through an auction.
 - If a license or company owning a license is sold within two years of acquiring a license, the license should be forfeited. (p. 10).
 - If less than 0.5 percent of the population covered by the license is not subscribing to the licensee's service within two years of license award, the license should be forfeited. (p. 10).
 - Exceptions might be necessary for mergers or acquisitions that are clearly part of a larger transaction. (p. 10).

SMALL RURAL VIRGINIA TELCOs
Comments on 2 GHz Licensed PCS

Interest: Joint filing by rural LECs

Band plan:

- Multiple licenses per area -- LECs serving RSAs should have an option to obtain a spectrum block. (p. 2)

Service areas:

- Supports use of MSA/RSA licenses, because participation will be broadened and PCS will be deployed faster (PCS licensees in large areas will concentrate only on high density areas). (p. 2)

Local exchange carrier participation:

- LECs should be allowed to participate, especially in rural areas, since they need advanced wireless capabilities for LEC service. (p. 1)
- LECs with cellular holdings should not be disqualified from eligibility for PCS. (p. 2)

Licensing policies:

- Auctions should not be used. (p. 2)

THE SOUTH CAROLINA TELEPHONE ASSOCIATION
Comments on 2 GHz Licensed PCS

Interest: Organization comprised of South Carolina's 28 local exchange carriers; potential PCS providers.

Band plan:

- Recommends that five licensed channel sets of 20 MHz each in the 2 GHz band be allocated for each market. (p. 3).

Service areas:

- The FCC should use the 734 MSA and RSA geographic delineations it currently uses for cellular service and Interactive Video and Data Service licensing. (pp. 4-5).

Local exchange carrier participation:

- Agrees that LECs should be allowed to provide PCS in their own exchange service areas as it will foster the FCC's stated objectives for PCS. (pp. 5-8).
- Believes that LECs with cellular interests should not be barred from participating in PCS -- the FCC's proposed restriction is unwarranted. (pp. 9-10).
- Advocates a spectrum reserve for LECs serving RSAs to obtain one of the five 20 MHz licensed blocks for the provision of PCS in their own exchange areas. (pp. 10-11).
- Smaller LECs serving MSAs should also participate in the LEC spectrum reserve. (pp. 10-11).

Other issues:

- Believes the FCC should adopt a definition of PCS that includes the following characteristics (p. 2):
 - (1) provision of a family of person-specific rather than location-specific services;
 - (2) utilization of a portable, wireless device employing low power and a common air interface to originate and receive communications;
 - (3) employment of a callable number for each subscriber of the service that allows that subscriber to be called regardless of geographic region;

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- (4) capability to interconnect with the public switched telephone network; and
- (5) offering of a set of basic features that assure that the same functions are similarly performed at all PCS locations.

SOUTHERN NEW ENGLAND TELECOMMUNICATIONS CORPORATION
Comments on 2 GHz Licensed PCS

Interest: Local exchange carrier

Band plan:

- Five licensed providers with 20 MHz each. (pp. 6-7)

Service areas:

- Supports MSA/RSA licensing -- market forces will cause consolidation if necessary and industry standards groups will provide national standards. (pp. 7-8)

Cellular carrier eligibility:

- Cellular carriers should also be able to enter the PCS market since the FCC could limit the overall number of licenses held in a market by a single licensee; there will be enough licenses so that no one will enter unless they will build; and joint cellular/PCS will have efficiencies. (pp. 4-5)
- In any event, cellular carriers should not be barred outside their markets. (p. 5)

Local exchange carrier eligibility:

- LECs should be allowed to obtain PCS licenses because they need advanced technology to support LEC service; they have no incentive to discriminate in access, since they will be selling PCS carriers a range of advanced wireline capabilities; and LEC participation will foster "PCS friendly" access. (pp. 3-4, 5-6)

Licensing policies:

- Urges open eligibility for all carriers for all PCS. (p. 3)

Regulatory status:

- All PCS providers should be treated equally, whether existing or new carriers. (pp. 8-9)
- The cellular rules should be further liberalized; cites to CTIA comments on Telocator Petition. (p. 9)

SOUTHWESTERN BELL CORPORATION
Comments on 2 GHz Licensed PCS

Interest: Common carrier telephone company and cellular and paging licensee.

Band plan:

- Recommends that, if two new PCS providers are authorized, FCC should allocate a total of 40 MHz of the 2 GHz spectrum (20 MHz to each service provider) for PCS with 10 to 20 contiguous MHz held in reserve for expansion or an additional provider. (p. 9)
- In some markets, the FCC may want to allocate 25 MHz per provider. (p. 9, fn. 15)
- If a portion of the 2 GHz spectrum is dedicated for new PCS and assignments are not equalized at 20 MHz, the FCC should grant cellular carriers between 5 and 10 MHz of additional spectrum within the 800 and 900 MHz bands. (p. 11)

Service areas:

- Recommends the same licensing of service areas for PCS that were used in cellular licensing, and does not support award of nationwide or regional licenses for 2 GHz PCS. (pp. 20-24)

Cellular carrier participation:

- Believes that there should be no eligibility restrictions placed on cellular carriers as potential new PCS licensees. (pp. 13-15)

Local exchange carrier participation:

- LEC participation in PCS should be encouraged, and they should not be prohibited from utilizing new capabilities such as wireless access. (pp. 15-16)
- Nonstructural safeguards can protect against LEC cross-subsidization and discrimination.
- 10 MHz of spectrum is not sufficient to support LEC provision of PCS. (pp. 37-38)
- A particular type of interconnection should not be mandated by federal regulations but determined at the local level. (p. 36)

Licensing policies:

- Licensing in multiple markets should be encouraged as it will result in economies of scale. (p. 20)
- Applicants should not be limited to either 900 MHz narrowband or 2 GHz PCS licenses. (p. 20)
- If lotteries are chosen as the licensing mechanism for PCS, SBC suggests a qualified lottery method with threshold requirements. (p. 25)
- If competitive bidding is authorized and employed, SBC suggests the use of the sealed second bid format as well as use of threshold requirements. (pp. 25-26)

Regulatory status:

- States that all 2 GHz PCS providers should be regulated on the same basis -- a common carrier classification would not distinguish existing providers licensed as such and newly licensed PCS providers. (p. 27)

Technical standards:

- Development of a common air interface should be encouraged. (p. 28)
- Active avoidance (signal level measurement) techniques should be employed to meet interference protection and coordination requirements as existing propagation models are not sufficiently accurate. (pp. 28-31)
- Low power restrictions should not be imposed on PCS. (pp. 33-35)
- Technical standards should be developed by the industry. (pp. 35-36)

Other issues:

- International considerations should not drive the FCC's decisions concerning PCS licensing. (p. 27)

SPRINT CORPORATION
Comments on 2 GHz Licensed PCS

Interest: Interexchange carrier

Band plan:

- Supports FCC proposal for 3 licensed PCS systems with 30 MHz each. (pp. 13-14)

Amount of spectrum per licensed system: 30 MHz

Service areas:

- PCS service areas should be consistent with cellular service areas, since that will speed deployment, broaden participation and diversity, encourage smaller companies to participate, and limit transaction costs of subdividing markets. (pp. 4-5)
- Larger regions are not warranted because: PCS may not evolve like cellular and regionalize; 2 GHz frequencies have lower propagation, affecting the economics of service; the absence of national or regional licenses for cellular did not affect interoperability; smaller areas can be molded to fit the natural boundaries for PCS; large areas preempt marketplace factors; large areas concentrate market power; and large areas disadvantage cellular carriers. (pp. 5-8)

Cellular carrier participation:

- If MSA/RSA licensing is used, the FCC should allow cellular carriers to apply for licenses as long as the applicant does not have majority control over the cellular licensee. (pp. 10-11)
- If larger than MSA/RSA licensing is used, Sprint supports the APC proposal for proportional assessment, except that the triggering percentage should be 30 percent. (pp. 11-12)

Local exchange carrier participation:

- LECs should be subject to the same proportional assessment as cellular carriers for PCS eligibility. (pp. 12-13)

Licensing policies:

- No licensee should be able to obtain more than one PCS license per market, but no limits should be placed on overall number of licenses. (pp. 14-15)
- Qualified lotteries should be used to license PCS; i.e., short filing windows (60 days), reasonable fees, clear

filing instructions, select three tentative selectees per market (no contingent winners). (pp. 16-17)

Regulatory status:

- Common carriers should be eligible for PCS, regardless of the regulatory status of PCS operators. (p. 17)
- All PCS should be regulated on the same basis, including
 - (1) allowing cellular carriers to offer non-common carrier services if PCS is regulated as private carriage, and
 - (2) allowing wireline companies to acquire SMRs. (pp. 18-19)

Technical standards:

- Agrees that there should be federally protected right of interconnection, although no specific type of interconnection should be mandated at present. (p. 20)
- Attached technical comments in Appendix A:
 - Standards: Ongoing standards efforts are sufficient, and no FCC advisory committee is needed. (p. A1)
 - PCS to microwave interference: TSB10E can be modified for use in evaluating PCS to microwave interference; use a probability factor to assess how many portables are in use at a given time when doing additive interference calculations; probabilistic models should be used to calculate PCS to microwave interference; and PCS operators should make system changes as necessary to avoid interference as use grows. (pp. A2-A3)
 - 2 GHz power and antenna height limits: PCS carriers will require flexibility, and the FCC should specify only maximum limits of 1000 W (base), 600 feet (base antenna height), and 200 W (portables). (p. A4)
 - Coordination distance: Agrees with FCC. (p. A4)
 - PCS to PCS interference: Agrees with 47 dBu contour and absence of adjacent channel criteria. (pp. A4-A5)
 - RF hazards: FDA, not FCC, should be responsible for RF hazard determinations. (p. A5)

Other issues:

- No resale restrictions on PCS licenses; i.e., permit transfers, minority investments, and joint ventures. (p. 17)

SWAYZEE TELEPHONE COMPANY
Comments on 2 GHz Licensed PCS

Interest: Rural LEC

Cellular carrier participation:

- Cellular carriers pose anticompetitive threats and should be excluded in-region; there is a somewhat lesser threat out-of-region. (pp. 2-3)

Local exchange carrier participation:

- LECs with cellular holdings should be excluded, since they also pose competitive threats to PCS operators. (p. 3)

Licensing policies:

- Lotteries should be used to license PCS, and a lottery preference should be given to small LECs who did not participate in the cellular industry as licensees or partial owners of licensees. (p. 4)
- Competitive bidding should not be used to award licenses, since it will exclude start-up companies and result in license awards to deep pocket companies. (p. 4)

TACONIC TELEPHONE CORPORATION
Comments on 2 GHz Licensed PCS

Interest: Independent telephone company with cable television and cellular subsidiaries.

Service areas:

- Recommends that PCS service areas correspond with the size of cellular RSAs/MSAs to hasten the deployment of PCS and its benefits to consumers in rural areas. (pp. 2, 4).

Local exchange carrier participation:

- LECs with cellular interests should not be prohibited from participating in PCS because: (p. 4)
 - (1) LECs may only have a minority partnership interest in cellular.
 - (2) PCS is still in the experimental phase of development.
 - (3) It may be contrary to the FCC's stated goals.
 - (4) LECs are experienced local telecommunications providers.
 - (5) A competitive telecommunications market should give all interested parties the opportunity to participate in PCS.

TANDY CORPORATION
Comments on 2 GHz Licensed PCS

Interest: Equipment manufacturer and retail distributor of consumer electronic products.

Cellular carrier participation:

- At a minimum, cellular carriers should be prohibited from obtaining PCS licenses within their service areas as they would benefit from a substantial competitive advantage. (pp. 6-7).

Local exchange carrier participation:

- Since LECs are likely to cross-subsidize, LECs should, at a minimum, be prohibited from acquiring PCS licenses in their own service areas. (p. 7).

Licensing policies:

- The FCC should prohibit the bundling of PCS equipment and PCS services since it would adversely affect competition by granting equipment vendors that are also service providers an advantage. (p. 3).
- The FCC should authorize as many service providers as the marketplace will accommodate -- at a minimum, four service providers in each PCS service area. (pp. 5-6).